

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7745

BILL NUMBER: HB 2013

DATE PREPARED: Jan 26, 2001

BILL AMENDED:

SUBJECT: Innovative Testing Methods.

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FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that school corporations participating in the Department of Education's Innovative Testing Methods Pilot Program (the Program) may: (1) administer assessments at grade levels other than those required under the Indiana Statewide Testing for Educational Progress (ISTEP+) in addition to the grade levels required under ISTEP+; and (2) select methods of assessment that allow student results to be obtained in a timely manner to facilitate remediation within a classroom setting during the school year.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Department of Education (the Department) could experience an indeterminable increase in administrative expenses due to the provisions of this bill. However, since no school corporations are currently part of the Program, it is not likely that an increase would occur.

Under current law, the Department is required to administer the Program, and is responsible for selecting school corporations that demonstrate innovative testing methods to take part in the Program. Funding for the Program comes from the Research and Development Program Fund which currently contains no monies.

Background- Although the Program is currently inactive, the Department conducts a 1st grade innovative reading assessment program which was first established during the 1999-2000 school year.

Background on Current Testing (ISTEP+): ISTEP+ is Indiana's statewide student assessment program which is currently given in grades 3, 6, 8, and 10. ISTEP+ includes both norm- and criterion-referenced components, is administered in the fall, and is based upon proficiencies from the previous year.

The norm-referenced component of ISTEP+ compares a student's performance to the performance of a statistically representative sampling of U.S. students. The criterion component of ISTEP+ (which includes English/Language Arts and Mathematics subject areas) measures student performance against the Indiana

Academic Standard (an expectation of student achievement developed by the State Standards Task Force).

Beginning with the graduating class of the 1999-2000 school year, students who expected to graduate with a diploma were required to either: 1) complete all high school graduation credit requirements in addition to receiving a score at or above the Indiana Academic Standard on the Examination; 2) successfully complete all components of the CORE 40 curriculum; or 3) successfully appeal the Examination test results in accordance with current law. A student who does not receive a score at or above the Indiana Academic Standard may retake the Examination during each semester of each grade following the grade in which the student is initially tested.

Of the students in the graduating class of the 1999-2000 school year, 86% received a score at or above the Indiana Academic Standard on the Examination. Currently, over 73% of the 2000-2001 graduating class have met or exceeded this standard.

For FY 2001, \$37,715,197 were appropriated from the State General Fund and State Dedicated Funds for ISTEP+ testing and remediation (grades 3, 6, 8, and 10). Of this amount, approximately \$25 M were distributed to eligible school corporations for preventative and regular remediation, while approximately \$12 M were distributed for test development and test administration.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill would allow school corporations that participate in the Program to administer assessments in grades other than those required by ISTEP+. In addition, it would allow school corporations to select various methods of assessment. The specific effects of this bill would vary between school corporations and would depend upon local action.

Background- Approximately 120 school corporations currently utilize “off-the-shelf assessments” during various times of the year in addition to the required ISTEP+ examinations.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: School Corporations.

Information Sources: Wes Bruce, Department of Education, (317) 232-9050.